



TEXAS GENERAL LAND OFFICE JERRY PATTERSON, COMMISSIONER

Office of Communications • Mark Dallas Loeffler, Director
1700 N. Congress Ave. • Austin, TX 78701-1495 • 512-463-5339 • FAX: 512-475-1415

PRESS RELEASE

Patterson: Combs exceeded her authority to reach F1 deal

Texas Land Commissioner requests AG opinion on \$250 million giveaway

FOR IMMEDIATE RELEASE
November 23, 2011

Contact: Jim Suydam
512-463-2716
512-417-5382
jim.suydam@glo.texas.gov

AUSTIN — Texas Land Commissioner Jerry Patterson is asking Attorney General Greg Abbott to investigate the legality of Comptroller Susan Combs' \$250 million taxpayer gift to bring Formula One racing to Texas.

"This deal to give away a quarter of a billion in taxpayer dollars is a real turkey - New Jersey got their race and didn't have to pay a dime for it," Patterson said. "Comptroller Susan Combs exceeded her authority and ignored the law to cut this deal and she's now trying to hide her mistakes."

Patterson is asking Abbott if "the Comptroller of Public Accounts had the authority to commit to support an event with the Major Event Trust Fund without first receiving a request from a local government or nonprofit or without first determining the incremental increase of tax receipts attributable to the event," according to his written request for an attorney general opinion.

Patterson points to a May 10, 2010 letter Combs wrote to London-based race organizer Formula One World Championship Limited, in which she unequivocally pledges 10 years of funding, at \$25 million a year, to bring a Formula One United States Grand Prix race to Texas.

"In response to the requirements of the race promotion contract...I hereby certify the following: With the understanding that the first Formula I United States Grand Prix race will be held in Texas in 2012, full funding of the entire sanction for 2012 will be paid to Formula One World Championship Limited ("FOWC") no later than July 31, 2011. In subsequent years, two through ten, of the race promotion contract, i.e. 2013 through 2021, we will be sending \$25 million dollars to FOWC by the end of July 31st each year preceding the actual race event."

State law requires a city, county or organizing committee to first request funding from the state's Major Event Trust Fund before the Comptroller has any authority to spend that money. As of May 10, 2010, no city, county or local organizing committee had asked Combs for funding.

Other requirements of the law - approved by the 80th Legislature at Combs' request - were also ignored. As of May 10, 2010, Combs' office had not made any determination of the incremental tax increase an F1 race might bring. As of May 10, 2010, Combs' office hadn't even established what market area would be likely to experience measurable economic impact. Both steps are also required by state law.

"I'm not opposed to F1, but I am opposed to getting screwed," Patterson said. "I'm also opposed to elected officials abusing their authority and committing a quarter billion taxpayer dollars they have no statutory authority to commit."

###